

# BINGHAM, DANA & GOULD

1550 M STREET, N.W., SUITE 1200

WASHINGTON, D.C. 20005

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*Katherine H. Eagan*

1 6063

DEC 9 1988 12 PM

BOSTON OFFICE  
(617) 951-8000

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(617) 890-0922

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INTERSTATE COMMERCE COMMISSION  
LONDON OFFICE 011-44-1-799-2646

December 9, 1988

Interstate Commerce Commission  
Room 2303  
12th Street & Constitution Avenue, N.W.  
Washington, D.C. 20423

Attention: Ms. Mildred Lee

Ladies and Gentlemen:

8-344A065

No.

Date DEC 9 1988

Fee \$ 13.00

ICC Washington, D.C.

Dec 9 12 11 PM '88  
HOTEL DEAN

Enclosed for filing with the Commission pursuant to Section 11303 of Title 49 of the U.S. Code are executed and notarized copies of the document described below.

This document is a Security Agreement, a primary document dated as of December 9, 1988, between FRVR Corporation, as the borrower, and The First National Bank of Boston as agent for itself and other lenders, as the secured party, covering the debtor's rolling stock now owned or hereafter acquired and all other properties and rights of the debtor. Descriptions of the rolling stock are attached to the Security Agreement as Schedule 4(b), but the property covered by the Security Agreement is not limited to that listed in Schedule 4(b).

The names and addresses of the parties to the Security Agreement are as follows. The debtor is FRVR Corporation, whose chief executive office is located at Box 2527, 200 Dousman Street, Green Bay, Wisconsin 54306 (and which plans to change its name to Fox River Valley Corporation shortly after the date hereof). The secured party is The First National Bank of Boston, as agent, whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

Included in the property covered by the aforesaid Security Agreement are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned and leased by FRVR Corporation as of the date of said Security Agreement or hereafter acquired by it or its successors.

*C. B. [Signature]*

BINGHAM, DANA & GOULD

Interstate Commerce Commission  
December 9, 1988  
Page 2

A short summary of the document to appear in the index as follows:

"A Security Agreement, dated as of December 2, 1988, between FRVR Corporation, as the borrower, and The First National Bank of Boston, as agent, as the secured party, covering the borrower's rolling stock and all other properties and rights of the borrower. Descriptions of the rolling stock are attached to the Security Agreement as Schedule 4(b)"

Also enclosed is a check in the amount of \$13.00, payable to the Interstate Commerce Commission, to cover the recording fee prescribed by the Commission in its rules and regulations.

Would you please acknowledge receipt of the enclosed documents at your earliest convenience by stamping and returning to the undersigned, in the enclosed, self-addressed, stamped envelope, one of the Security Agreements, along with the duplicate copy of this letter of transmittal.

If you have any questions with respect to the enclosed documents, please call Amy L. Kyle, collect, at (617)951-8288.

Very truly yours,



Peter D. Schellie

6881I

Enclosures

# Interstate Commerce Commission

Washington, D.C. 20423

12/9/88

OFFICE OF THE SECRETARY

Peter D. Schellie

Bingham Dana & Gould

1550 M. Street N.W. Suite 1200

Washington, D.C. 20005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/9/88 at 12:20pm, and assigned recodation number(s).16063

Sincerely yours,



Secretary

Enclosure(s)

DEC 9 1988 - 12 24 PM

## SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

This SECURITY AGREEMENT, dated as of December 9, 1988, is between FRVR Corporation, a Wisconsin railroad corporation having its chief executive office at Box 2527, 200 Dousman Street, Green Bay, Wisconsin 54306 (the "Borrower"), and THE FIRST NATIONAL BANK OF BOSTON (the "Secured Party") as agent for itself and the other Banks which are or may become parties to that certain Revolving Credit and Term Loan Agreement (as the same may be amended from time to time, the "Credit Agreement"), dated as of December 9, 1988, among the Borrower, The First National Bank of Boston, such other Banks as may become parties to the Credit Agreement in accordance with the terms thereof and The First National Bank of Boston, as agent for the Banks. Capitalized terms which are used herein without definition and which are defined in the Credit Agreement shall have the same meanings herein as therein.

§1. GRANT OF SECURITY INTEREST, ETC. The Borrower hereby grants to the Secured Party, as agent for the benefit of the Banks, a continuing security interest in and lien on all properties, assets and rights of the Borrower of every kind and nature (but excluding real property), wherever located, now owned or hereafter acquired or arising, and all proceeds and products thereof, including without limiting the generality of the foregoing, all goods, accounts, including all accounts receivable, rights to the payment of money including tax refund claims, insurance proceeds and tort claims and all rights to proceeds of any termination, including any partial termination, of employee benefit plans, contract rights (to the extent not prohibited by the terms thereof or as otherwise permitted by the parties thereto), including without limitation, all rights of the Borrower under the Asset Purchase Agreement, dated February 24, 1988, as amended, between the Borrower and Chicago and North Western Transportation Company and under all instruments and documents delivered pursuant thereto, in each case as amended and in effect from time to time, including without limitation, the Car Supply Agreement, the Division Agreement, the Service Agreement, Overhead Trackage Rights and Interchange Agreement, Agreement concerning equipment shop at Fond du lac, Agreement concerning welfare facilities at Green Bay, Agreement concerning wireline carrier, the Agreement regarding indemnities for certain environmental matters, and the Overhead Service Agreement, all rights of the Borrower under under any agreements with other operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency

and disasters, all chattel paper, documents, instruments, general intangibles, any and all operating rights of the Borrower, patents, trademarks, tradenames, copyrights, engineering drawings, service marks, books and records, furniture, fixtures, rolling stock, including but not limited to locomotives, cabooses, bulkhead flat cars, boxcars, open top hopper cars, covered hopper cars, woodrack cars, rail, ties and capital improvements thereon, trucks, trailers (including lowboy and enclosed trailers), tractors, service vehicles, automobiles, tires, equipment, including without limitation, maintenance of way equipment, and accessions, inventory and all other capital assets, raw materials and work in progress (but excluding real property and interests therein and assets acquired subject to a purchase money security interest permitted under the Credit Agreement where the documents evidencing such security interest prohibit any other lien thereon) (all such properties, assets and rights hereinafter sometimes called, collectively, the "Collateral"). Certain of the Borrower's maintenance of way equipment is more particularly described on Schedule 1 attached hereto.

§2. OBLIGATIONS SECURED. The Collateral hereunder constitutes and will constitute continuing security for all the obligations of the Borrower to the Secured Party and the Banks, now existing or hereafter arising, direct or indirect, absolute or contingent, due or to become due, matured or unmatured, liquidated or unliquidated, arising by contract, operation of law or otherwise, now existing or hereafter arising under the Credit Agreement, under the promissory notes executed and delivered by the Borrower to the Banks in connection therewith (the "Notes"), in each case as such instrument is originally executed on the date hereof or as modified, amended, restated, supplemented or extended, and all obligations of the Borrower to the Secured Party and the Banks arising out of any extension, refinancing or refunding of any of the foregoing obligations (hereinafter collectively referred to as the "Obligations").

§3. PRO RATA SECURITY, APPLICATION OF PROCEEDS OF COLLATERAL. All amounts owing with respect to the Obligations shall be secured by the Collateral pro rata based on the amount of the Obligations owing to the Agent and each Bank without distinction as to whether some Obligations are then due and payable and other Obligations are not then due and payable. Upon any realization upon the Collateral by the Secured Party, whether by receipt of insurance proceeds pursuant to §4(f) or upon foreclosure and sale of all or part of the Collateral pursuant to §6 or otherwise, the Borrower and the Secured Party agree that the proceeds thereof shall be applied (i) first, to the payment of reasonable expenses incurred with respect to maintenance

and protection of the Collateral pursuant to §4 and of expenses incurred pursuant to §10 with respect to the sale of or realization upon any of the Collateral or the perfection, enforcement or protection of the rights of the Secured Party (including reasonable outside attorney's fees and out-of-pocket expenses of every kind); (ii) second, to all amounts of interest, expenses fees outstanding which constitute the Obligations, (iii) third, to all amounts of principal outstanding under the Obligations; and (iv) fourth any surplus shall be paid to the Borrower.

§4. REPRESENTATIONS AND COVENANTS OF THE BORROWER.

(a) Real Property. The Borrower represents to the Secured Party that the real property listed on Schedule 4(a) hereto constitutes all of the real property which the Borrower owns or leases as of the Closing Date. The Borrower agrees to notify the Secured Party of any other real property which the Borrower may hereafter acquire or lease (except for leases having a term of less than two years and leases which, in the aggregate, have annual rental payments of less than \$100,000). The Borrower agrees that it will execute and deliver to the Secured Party mortgages and other instruments, as referred to in paragraph (h) below of this §4, and file the same in the appropriate recording offices with respect to the real property listed on Schedule 4(a) hereto and at such times as any mortgageable right, title or interest is acquired in the future by the Borrower in any other real property (except for leases having a term of less than two years and leases which, in the aggregate, have annual rental payments of less than \$100,000). All such mortgages and other instruments shall secure all of the Obligations pro rata and shall be on terms and conditions satisfactory to the Secured Party as evidenced by its written consent thereto.

(b) Rolling Stock. The Borrower represents to the Secured Party that the Rolling Stock (as defined in this §4(b)) listed on Schedule 4(b) hereto constitutes all of the Rolling Stock which the Borrower owns or leases as of the Closing Date. The Borrower agrees not to change any markings or serial numbers on any of the Rolling Stock listed on Schedule 4(b) unless the Borrower has given notice in writing to the Secured Party of such change no later than 30 days after the date of such change. The Borrower agrees to notify the Secured Party of any other Rolling Stock which the Borrower may hereafter acquire or lease. The Borrower

agrees that it will execute and deliver to the Secured Party supplemental security agreements and other instruments, as referred to in paragraph (h) below of this §4, and file the same in the appropriate recording offices (i) with respect to the Rolling Stock listed on Schedule 4(b) hereto, (ii) at such times as any assignable right, title or interest is acquired in the future by the Borrower in any other Rolling Stock and (iii) at such times as any change is made in one or more of the markings or serial numbers on any of the Rolling Stock listed on Schedule 4(b) hereto or on any other Rolling Stock owned or leased by the Borrower. All such supplemental security agreements and other instruments shall secure all of the Obligations pro rata and shall be on terms and conditions satisfactory to the Secured Party as evidenced by its written consent thereto. The term "Rolling Stock" as used herein means all rolling stock, including, but not limited to, locomotives, cabooses, bulkhead flat cars, boxcars, woodrack cars, open top hopper cars, covered hopper cars, gondolas and all other rail cars.

(c) Location of Chief Executive Office, etc. The Borrower represents to the Secured Party that the location of the Borrower's chief executive office and the location where the books and records of the Borrower are kept is 200 Dousman Street, Green Bay, Wisconsin 54306. The Borrower further represents that attached hereto as Schedule 4(c) is a true and correct list of all places outside of the State of Wisconsin where property comprising a part of the Collateral and having value in excess of \$100,000 is located. The Borrower agrees that it will not change the location of its chief executive office or the location where its books and records are kept except in accordance with the provisions of §9.2 of the Credit Agreement and will give the Secured Party thirty (30) days prior written notice as to any change in the location of any property comprising a part of the Collateral other than (i) changes in the location of Rolling Stock and motor vehicles and other Collateral having a value not in excess of \$100,000 in the aggregate, (ii) changes in the location of Collateral within the State of Wisconsin or from one location on Schedule 4(c) to another location on Schedule 4(c) and (iii) changes in the location of equipment which are made in the ordinary course of the Borrower's business (including for purposes of repairing the same) and which do not constitute changes in the domicile of such equipment.

(d) Ownership of Collateral.

(i) The Borrower represents that it is the owner of the Collateral free from any adverse lien, security interest or encumbrance, except as permitted by §10.2 of the Credit Agreement.

(ii) Except for the security interests herein granted and except as permitted in §10.2 or §10.5 of the Credit Agreement, the Borrower shall be the owner of the Collateral free of any lien, security interest or encumbrance and the Borrower shall defend the same against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Secured Party. Except as otherwise permitted in §10.2 of the Credit Agreement, the Borrower shall not pledge, mortgage or create or suffer to exist a security interest in the Collateral in favor of any person other than the Secured Party.

(e) Sale or Disposition of Collateral. Except as permitted by §10.5 of the Credit Agreement, the Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest therein.

(f) Insurance. The Borrower shall have and maintain at all times with respect to the Collateral such insurance as is required by the Credit Agreement, such insurance to be payable to the Secured Party and to the Borrower as their interests may appear. All policies of insurance shall provide for 30 days' written minimum cancellation notice to the Secured Party. In the event of failure to provide and maintain insurance as herein provided, the Secured Party may, at its option, provide such insurance, and the Borrower hereby promises to pay to the Secured Party within 30 days after demand by the Secured Party the amount of any disbursements made by the Secured Party for such purpose. The Borrower shall furnish to the Secured Party certificates or other evidence reasonably satisfactory to the Secured Party of compliance with the foregoing insurance provisions. During the continuance of any Event of Default, the Secured Party may act as attorney for the Borrower in obtaining such insurance and endorsing any drafts, and in adjusting, settling and cancelling such insurance; and, during the continuance of an Event of Default, any amounts collected or received under any such policies shall be applied by the Secured Party to the Obligations in accordance with the provisions of §3, or at the option of the Secured Party, the same may be released to the



Borrower, but such application or release shall not cure or waive any default hereunder and no amount so released shall be deemed a payment on any Obligation secured hereby.

(g) Maintenance of Collateral. The Borrower will keep the Collateral in good order and repair in accordance with industry standards (to the extent commercially reasonable), and will not use the same in violation of law or any policy of insurance thereon if such violation could reasonably be expected to result in a material adverse effect on the business, assets or financial condition of the Borrower or in the cancellation of such policy of insurance. The Secured Party may inspect the Collateral at any reasonable time upon reasonable notice, wherever located (to the extent the Borrower may give permission therefor). Except as otherwise provided in §9.6 of the Credit Agreement, the Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement. In its discretion, the Secured Party may discharge taxes and other encumbrances at any time levied or placed on the Collateral which remain unpaid in violation of §9.6 of the Credit Agreement and pay any necessary filing fees. The Borrower agrees to reimburse the Secured Party within thirty days after demand by the Secured Party for any and all expenditures so made, and until paid the amount thereof shall be a debt secured by the Collateral. The Secured Party shall have no obligation to the Borrower to make any such expenditures, nor shall the making thereof relieve the Borrower of any default.

(h) Further Assurances by the Borrower. The Borrower agrees to execute and deliver to the Secured Party from time to time at its request all documents and instruments, including without limitation, financing statements and supplemental security agreements, and to take all action as the Secured Party may reasonably deem necessary or proper to perfect or otherwise protect the security interest and lien created hereby.

§5. POWER OF ATTORNEY. The Borrower acknowledges the Secured Party's right, to the extent permitted by applicable law and in good faith, singly to execute and file financing statements without execution by the Borrower.

§6. REMEDIES. Upon the occurrence and during the continuance of any Event of Default, whether or not the Obligations are due, the Secured Party may demand, sue for, collect, or make any settlement or compromise it deems desirable with respect to the Collateral. Regardless of the adequacy of the Collateral or any other security for the Obligations, after the occurrence and during the continuance of an Event of Default, any deposits or other sums credited by or due from the Secured Party to the Borrower may at any time be applied to or set off against any of the Obligations. The amount of any such setoff shall be applied as provided in §3 hereof. Upon the occurrence and during the continuance of any Event of Default (whether or not any acceleration of the maturity of the amounts due in respect of any of the Obligations shall have occurred), to the fullest extent permitted by applicable law:

(a) The Secured Party shall have, in addition to all other rights and remedies given it by any instrument or other agreement evidencing, or executed and delivered in connection with, any of the Obligations and otherwise allowed by law, the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction and the rights and remedies of a secured party holding a security interest in collateral pursuant to the Interstate Commerce Act of 1887, as amended, and without limiting the generality of the foregoing, the Secured Party may without (to the fullest extent permitted by law) demand of performance or advertisement or notice of intention to sell or of time or place of sale or of redemption or other notice or demand whatsoever, (except that the Secured Party shall give to the Borrower at least ten days' notice of the time and place of any proposed sale or other disposition), all of which are hereby expressly waived to the fullest extent permitted by law, sell at public or private sale or otherwise realize upon, in the City of Boston, Massachusetts, or elsewhere, the whole or from time to time any part of the Collateral in or upon which the Secured Party shall have a security interest or lien hereunder, or any interest which the Borrower may have therein, and after deducting from the proceeds of sale or other disposition of the Collateral all expenses (including all reasonable out-of-pocket expenses for legal services) as provided in §10, shall apply the residue of such proceeds toward the payment of the Obligations in accordance with §3 of this Agreement, the Borrower remaining liable for any deficiency remaining unpaid after such application and being entitled to any surplus. If notice of any sale

or other disposition is required by law to be given to the Borrower, the Borrower hereby agrees that a notice given as hereinbefore provided shall be reasonable notice of such sale or other disposition. The Borrower also agrees to assemble the Collateral at such place or places as the Secured Party reasonably designates by written notice. At any such sale or other disposition the Secured Party may itself, and any other person or entity owed any Obligation may itself, to the extent permitted by applicable law, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of the Borrower, which right is hereby waived and released to the fullest extent permitted by applicable law.

(b) Furthermore, without limiting the generality of any of the rights and remedies conferred upon the Secured Party under §6(a) hereof, the Secured Party to the fullest extent permitted by law, may enter upon the premises of the Borrower, exclude the Borrower therefrom and take immediate possession of the Collateral, either personally or by means of a receiver appointed by a court therefor, and may, at its option, use, operate, manage and control the Collateral in any lawful manner and may collect and receive all rents, income, revenue, earnings, issues and profits therefrom, and may maintain, repair, renovate, alter or remove the Collateral as the Secured Party may reasonably determine in its discretion, and any such monies so collected or received by the Secured Party shall be applied to, or may be accumulated for application upon, the Obligations in accordance with §3 of this Agreement.

(c) The Borrower shall, at the request of the Secured Party, after the Secured Party has notified the Borrower that an Event of Default under the Credit Agreement has occurred and is continuing, notify the debtors on accounts receivable of the Borrower of the security interest of the Secured Party in any account and that payment thereof is to be made directly to the Secured Party, and the Secured Party may itself at any time during the continuance of such Event of Default, without further notice to or demand upon the Borrower, so notify account debtors.

The Secured Party agrees that it will give notice to the Borrower of any enforcement action taken by it pursuant to this §6 promptly after commencing such action.

§7. MARSHALLING. The Secured Party shall not be required to marshal any present or future security for (including but not limited to this Agreement and the Collateral subject to the security interest created hereby), or guaranties of, the Obligations or any of them, or to resort to such security or guaranties in any particular order; and all of its rights hereunder and in respect of such securities and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may waive such right, the Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Secured Party's rights under this Agreement or under any other instrument evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and to the extent that it lawfully may waive such benefits, the Borrower hereby irrevocably waives the benefits of all such laws.

§8. BORROWER'S OBLIGATIONS NOT AFFECTED. Subject to the provisions of §14 hereof, to the extent permitted by applicable law, the obligations of the Borrower under this Agreement shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Borrower; (b) any exercise or nonexercise, or any waiver, by the Secured Party of any right, remedy, power or privilege under or in respect of any of the Obligations or any security therefor (including this Agreement); (c) any amendment to or modification of this Agreement or any instrument evidencing any of the Obligations or pursuant to which any of them were issued; (d) any amendment to or modification of any instrument or agreement (other than this Agreement) securing any of the Obligations; or (e) the taking of additional security for or any guaranty of any of the Obligations or the release or discharge or termination of any security or guaranty for any of the Obligations; and whether or not the Borrower shall have notice or knowledge of any of the foregoing.

§9. NO WAIVER. No failure on the part of the Secured Party to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Secured Party of any right, remedy or power hereunder preclude any other or future exercise of any other right, remedy or power. Each and every right, remedy and power hereby granted to the Secured Party or allowed to it by law or other agreement, including, without limitation, the Credit

Agreement, the Notes or any other Security Document, shall be cumulative and not exclusive of any other, and, subject to the provisions of this Agreement, may be exercised by the Secured Party from time to time.

§10. EXPENSES. The Borrower agrees to pay, on demand, all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses for legal services of every kind) of the Secured Party incidental to the sale of, or realization upon, any of the Collateral or in any way relating to the perfection, enforcement or protection of the rights of the Secured Party hereunder; and the Secured Party may at any time apply to the payment of all such costs and expenses all monies of the Borrower or other proceeds arising from its possession or disposition of all or any portion of the Collateral pursuant to this Security Agreement.

§11. CONSENTS, AMENDMENTS, WAIVERS, ETC. Any term of this Agreement may be amended, and the performance or observance by the Borrower of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only in accordance with the provisions of §23 of the Credit Agreement.

§12. GOVERNING LAW. Except as otherwise required by the laws of any jurisdiction in which any Collateral is located, this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

§13. PARTIES IN INTEREST. All terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided that the Borrower may not assign or transfer its rights hereunder without the prior written consent of the Banks and the Agent may assign or transfer its rights hereunder only in accordance with §17 of the Credit Agreement.

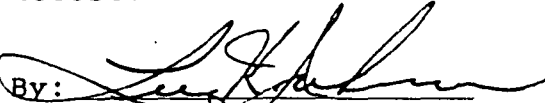
§14. TERMINATION. Upon payment in full of the Loans and all other amounts then due and payable under the Loan Documents in accordance with their terms and the termination of all commitments to lend thereunder, this Agreement shall terminate and the Borrower shall be entitled to the return, at the Borrower's expense, of such Collateral in the possession or control of the Secured Party as has not theretofore been disposed of pursuant to the provisions hereof. The Agent will take such actions as the Borrower may reasonably request in order to terminate of record the security interests and liens created hereby.

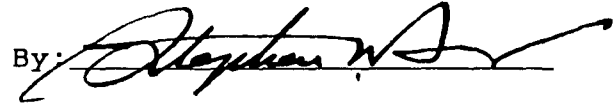
§15. NOTICES. Except as otherwise expressly provided herein, all notices and other communications made or required to be given pursuant to this Agreement shall be made in accordance with the provisions of §20 of the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.


Attest:

FRVR CORPORATION

By:   
Title: Secretary

By: 

THE FIRST NATIONAL BANK  
OF BOSTON, as agent

By:   
Title: Vice President

CORPORATE ACKNOWLEDGEMENT

STATE OF ILLINOIS)  
 )  
COUNTY OF COOK )

Personally came before me this 9th day of December, 1988, Stephen P. Selby, President of FRVR Corporation, to me known to be such person and officer who executed the foregoing instrument and acknowledged that he executed the same as such officer as the deed of said corporation, by its authority.

Nancy Lee Nelson  
Notary Public  
Cook County, Illinois

(Notary Seal)

My commission expires: 6-5-89

CORPORATE ACKNOWLEDGEMENT

STATE OF ILLINOIS)  
 )  
COUNTY OF COOK )

Personally came before me this 9th day of December, 1988, Shepard D. Rainie, Vice President, of The First National Bank of Boston, to me known to be such person and officer who executed the foregoing instrument and acknowledged that he executed the same as such officer as the deed of said corporation, by its authority.

Nancy Lee Nelson  
Notary Public  
Cook County, Illinois

(Notary Seal)

My commission expires: 6-5-89

Schedule 4(a)  
to the Security Agreement

REAL PROPERTY OF FRVR



## STATE OF WISCONSIN

Strips of land of varying widths located in the Counties of Brown, Fond du Lac, Manitowoc, Outagamie, Washington, Waukesha, Waupaca and Winnebago, State of Wisconsin, including all of Grantor's rights of way, station grounds and other real property associated therewith, not previously conveyed and not excluded and excepted herein, all as located over, across and upon the following described lands, to wit:

### SEGMENT 1

#### WAUKESHA COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Marinette, Wisconsin (through Fond du Lac and Green Bay) and the Easterly line of Waukesha County, Wisconsin, being also the Easterly line of Section 1, Township 8 North, Range 20 East of the Fourth Principal Meridian, said intersection (M.P. 99.48) being located 480 feet, more or less, Southerly of the Northeast corner of said Section 1; thence Northwesterly along said main line track center line to a point on the North line of said Section 1, distant 180 feet, more or less, West of the Northeast corner thereof, said North Line of Section 1 being also the North line of said Waukesha County, Wisconsin.

#### WASHINGTON COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Marinette, Wisconsin (through Fond du Lac and Green Bay) and the Southerly line of Washington County, Wisconsin, being also a point on the Southerly line of Section 36, Township 9 North, Range 20 East of the Fourth Principal Meridian, distant 180 feet, more or less, West of the Southeast corner thereof; thence Northwesterly along said main line track center line traversing the following Sections:

Township 9 North, Range 20 East of the Fourth Principal Meridian.  
Sections 36, 35, 26, 23, 14, 15, 10, 9, 4 and 5;

Township 10 North, Range 20 East of the Fourth Principal Meridian.  
Sections 32, 29, 30, 19, 18, 7 and 6;

Township 11 North, Range 19 East of the Fourth Principal Meridian.  
Sections 36, 28, 24, 13, 14, 11, 12, 1 and 2;

Township 12 North, Range 19 East of the Fourth Principal Meridian.  
Sections 35, 34, 27, 22, 15, 10, 9, 4 and 3.

to a point on the North Line of said Section 3, distant 1,400 feet, more or less, West of the Northeast corner thereof, said North line of Section 3 being also the North line of said Washington County, Wisconsin.

#### FOND DU LAC COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Marinette, Wisconsin (through Fond du Lac and Green Bay) and the Southerly line of Fond du Lac County, Wisconsin, being also a point on the Southerly line of Section 32, Township 13 North, Range 19 East of the Fourth Principal Meridian, distant 1,400 feet, more or less, West of the Southeast corner thereof; thence

Northwesterly along said main line track center line traversing the following Sections:

Township 13 North, Range 19 East of the Fourth Principal Meridian.  
Sections 32, 31, 30 and 19;

Township 13 North, Range 18 East of the Fourth Principal Meridian.  
Sections 24, 13, 12, 11 and 2;

Township 14 North, Range 18 East of the Fourth Principal Meridian.  
Sections 35, 26, 27, 22, 15, 16, 9, 8, 5 and 6;

Township 14 North, Range 17 East of the Fourth Principal Meridian.  
Section 1;

Township 15 North, Range 17 East of the Fourth Principal Meridian.  
Sections 36, 25, 26, 23, 22, 15, 10, 3 and 4;

Township 16 North, Range 17 East of the Fourth Principal Meridian.  
Sections 33, 28, 29, 20, 17, 8, 5 and 6,

to a point on the North line of said Section 6 distant 776 feet Westerly of the Northeast corner thereof, said North line of Section 6 being also the North line of said Fond du Lac County, Wisconsin; INCLUDING all of the Grantor's spur track rights-of-way extending Southwesterly from the above described main line track center line in Sections 3, 6 and 7, all in Township 14 North, Range 18 East of the Fourth Principal Meridian; ALSO INCLUDING all of the Grantor's Branch Line (running from Fond du Lac, Wisconsin to Janesville, Wisconsin) main track extending Southwesterly from the above described main track center line through Sections 15, 22 and 21, all in Township 15 North, Range 17 East of the Fourth Principal Meridian to a point on the South right of way line of U.S. Highway No. 41; ALSO INCLUDING all of the Grantor's Branch Line (running from Fond du Lac, Wisconsin to Sheboygan, Wisconsin) main track extending Northerly from the above described main track center line in Sections 10 and 3, both in Township 15 North, Range 17 East of the Fourth Principal Meridian; EXCLUDING AND EXCEPTING all of the Grantor's former Branch Line (running from Fond du Lac, Wisconsin to Ripon, Wisconsin) right of way lying Westerly of a line parallel with and distant 30 feet Southwesterly, measured at right angles, from the center line of the Grantor's main line track, extending from Milwaukee, Wisconsin to Marinette, Wisconsin (through Fond du Lac and Green Bay), in Sections 3 and 4, both in Township 15 North, Range 17 East of the Fourth Principal Meridian.

#### WINNEBAGO COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Marinette, Wisconsin (through Fond du Lac and Green Bay) and the Southerly line of Winnebago County, Wisconsin, being also a point on the Southerly line of Section 31, Township 17 North, Range 17 East of the Fourth Principal Meridian, distant 800 feet Westerly of the Southeast corner thereof; thence Northwesterly along said main line track center line traversing the following Sections:

Township 17 North, Range 17 East of the Fourth Principal Meridian.  
Sections 31, 30, 19 and 18;

Township 17 North, Range 16 East of the Fourth Principal Meridian.  
Sections 13, 12 and 1;

Township 18 North, Range 16 East of the Fourth Principal Meridian.  
Sections 36, 25, 26, 13, 12 and 1;

thence Northeasterly continuing along said main line track center line traversing the following Sections:

Township 19 North, Range 16 East of the Fourth Principal Meridian.  
Section 36;

Township 19 North, Range 17 East of the Fourth Principal Meridian.  
Sections 11, 10, 19, 18, 17, 8, 9 and 4;

Township 20 North, Range 17 East of the Fourth Principal Meridian.  
Sections 33, 28, 27, 22, 15, 16, 9, 4 and 3,

to a point on the North line of said Section 3, distant 480 feet, more or less, Easterly of the North Quarter corner thereof, said North line of Section 3 being also the North line of said Winnebago County, Wisconsin; INCLUDING all of the Grantor's connecting track extending Westerly of the above described main line track center line through Sections 1, 2 and 3, all in Township 18 North, Range 16 East of the Fourth Principal Meridian to the Grantor's former Branch Line main track extending from Oshkosh, Wisconsin to Mortonville, Wisconsin; thence Southerly along said former Branch Line main track through Sections 3, 10, 15, 14 and 23, all in Township 18 North, Range 16 East of the Fourth Principal Meridian.

#### OUTAGAMIE COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Marinette, Wisconsin (through Fond du Lac and Green Bay) and the Southerly line of Outagamie County, Wisconsin, being also a point on the Southerly line of Section 33, Township 21 North, Range 17 East of the Fourth Principal Meridian, distant 706 feet Easterly of the Southwest corner thereof; thence Northeasterly along said main line track center line traversing the following Sections:

Township 21 North, Range 17 East of the Fourth Principal Meridian.  
Sections 33, 34, 27, 26, 25 and 24;

Township 21 North, Range 18 East of the Fourth Principal Meridian.  
Sections 19, 20, 21, 22, 15, 14, Private Claim No.'s 1, 35, 34, 33, 3, and the fractional Northeast Quarter of Section 13;

Township 21 North, Range 19 East of the Fourth Principal Meridian.  
Sections 18, 7, 8, 5 and 4,

to a point on the Easterly line of said Section 4, distant 1,932 feet Southerly of the Northeast corner thereof, said Easterly line of Section 4 being also the Easterly line of said Outagamie County, Wisconsin; INCLUDING all of the Grantor's connecting track and spur track rights-of-way extending Southerly of the above described main line track center line in Private Claims 34 and 35 both in Township 21 North, Range 18 East of the Fourth Principal Meridian to the Southwesterly line of said Private Claim 35.

#### BROWN COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Marinette, Wisconsin (through Fond du Lac and Green Bay) and the Westerly line of Brown County, Wisconsin, being also a point on the Westerly line of Section 3, Township 21 North, Range 19 East of the Fourth Principal Meridian, distant 1,932 feet Southerly of the Northwest corner thereof; thence Northeasterly along said main line track center line traversing the following Sections:

Township 21 North, Range 19 East of the Fourth Principal Meridian.  
Sections 3 and 2;

Township 22 North, Range 19 East of the Fourth Principal Meridian.  
Sections 35, 26, 23, 24 and 13,

to a point in the fractional Northwest Quarter of the Southeast Quarter of said Section 13, said point being also on the Southwesterly line of Lot 140 of "Williams Grant", according to the recorded Plat thereof; thence continuing Northeasterly along said

main line track center line traversing the following Lots: 140, 139, 138, 137, 136, 135, 134, 133, 132, 131, 130, 129, 128, 127, 126, 125, 124, 123, 122, 121, 120, 119, 118, 117, 116 and 115, all in said "Williams Grant", according to the recorded Plat thereof, to a point on the Northeasterly line of said Lot 115, said point being also a point in the fractional Southwest Quarter of Section 3, Township 22 North, Range 20 East of the Fourth Principal Meridian; thence continuing Northeasterly along said main track traversing the following Sections:

Township 22 North, Range 20 East of the Fourth Principal Meridian, Section 5;

Township 23 North, Range 20 East of the Fourth Principal Meridian, Sections 22, 23 and 28,

to a point in the fractional Northeast Quarter of said Section 28, said point being also on the Southwesterly line of Private Claim 29, West of the Fox River; thence continuing Northeasterly along said main line track center line traversing the following:

Private Claim 29 West of the Fox River  
Private Claim 28 West of the Fox River  
Private Claim 27 West of the Fox River  
Private Claim 26 West of the Fox River  
Private Claim 25 West of the Fox River  
Private Claim 24 West of the Fox River  
Private Claim 23 West of the Fox River  
Private Claim 22 West of the Fox River  
Private Claim 21 West of the Fox River  
Private Claim 20 West of the Fox River  
Private Claim 19 West of the Fox River  
Private Claim 18 West of the Fox River  
Private Claim 17 West of the Fox River  
Private Claim 16 West of the Fox River  
Private Claim 15 West of the Fox River  
Private Claim 14 West of the Fox River  
Private Claim 13 West of the Fox River  
Private Claim 12 West of the Fox River  
Private Claim 11 West of the Fox River  
Private Claim 10 West of the Fox River  
Private Claim 9 West of the Fox River  
Private Claim 8 West of the Fox River  
Private Claim 7 West of the Fox River  
Private Claim 6 West of the Fox River  
Private Claim 5 West of the Fox River  
Private Claim 4 West of the Fox River  
Private Claim 3 West of the Fox River

to the Northeasterly line of said Private Claim 3; thence continuing Northerly and Northwesterly along said main line track center traversing the following tracts of land, to wit:

A part of Private Claim 2 West of the Fox River.

The unsurveyed part of Private Claim 2 West of the Fox River,

The Vacant Strip of land claimed by Alexander Gardepie,

Private Claim 1 West of the Fox River,

Dousman's Claim,

A tract of land referred to as the "Rail Road Tract", being a part of the Fort Howard Military Reserve, according to the recorded plat thereof, lying Northerly of said Dousman's Claim,

The Claim known as the Levanture or Whitney tract;

thence continuing along said main line track center line, Northwesterly, through a tract of land known as the Fort Howard Military Reserve, according to the recorded Plat thereof, to a point in Lot 4 of said Fort Howard Military Reserve, said point (M.P. 4.0) being also a point on the Easterly extension of the South line of Section 10, Township 24 North, Range 20 East of the Fourth Principal Meridian, distant 2,335 feet, more or less, Easterly of the Southwest corner of said Section 10, and there terminating; INCLUDING all of the Grantor's spur track rights-of-way lying between the above described main line track center line and the Fox River; ALSO INCLUDING all of the Grantor's spur track rights-of-way, being either wholly owned or jointly owned, extending Southeasterly from the above described main line track center line in said Fort Howard Military Reserve, through Private Claim 1 East of the Fox River, Eastman's Addition to Green Bay and Martins Addition to Green Bay, according to the recorded Plats thereof, and the West Half of Section 32, Township 24 North, Range 21 East of the Fourth Principal Meridian. EXCLUDING AND EXCEPTING the signboard, access thereto and any income derived therefrom with respect to certain real estate conveyed by the Grantor to Jeffrey G. Smet by Deed #85094, dated November 21, 1986, said deed being recorded in Brown County, Wisconsin on December 9, 1986 in Volume 11266, Image 43.

SEGMENT 2

OUTAGAMIE COUNTY, STATE OF WISCONSIN

Beginning at a point (M.P. 112.32) located in Lot 2 of Section 22, South of the Fox River, Township 21 North, Range 18 East of the Fourth Principal Meridian, said point being the intersection of the Easterly extension of the South line of Block 13 in the Recorded Plat of Ledyard and the center line of the Grantor's Branch Line main track extending from Kaukauna, Wisconsin to New London, Wisconsin; thence Westerly along said Branch Line main track traversing the following Sections:

Township 21 North, Range 18 East of the Fourth Principal Meridian.  
Sections 22, 23, 24, 25, 26, 27, 28, 29 and 30, all South of the Fox River;

Township 21 North, Range 17 East of the Fourth Principal Meridian.  
Sections 25, 26, 35, 34, 33, 28, 29, 20, 19 and 18;

Township 21 North, Range 16 East of the Fourth Principal Meridian.  
Sections 13, 12, 11, 10, 3, 4, 5 and 6;

Township 21 North, Range 15 East of the Fourth Principal Meridian.  
Sections 1 and 2;

Township 22 North, Range 15 East of the Fourth Principal Meridian.  
Sections 35, 34, 37, 28, 21, 20, 19, 18 and 7,

to a point (M.P. 140.904) in the Southwest Quarter of the Northwest Quarter of said Section 7, said point being a point 80 feet Southerly, measured at right angles, from the center line of the main track of the Green Bay and Western Railroad Company, and there terminating; INCLUDING all of the Grantor's spur track right-of-way known as the "Kimberly-Little Chute Loop" located Northerly of the above described Branch Line main track in Sections 25, 26, 27 and 28, all South of the Fox River, in Township 21 North, Range 18 East of the Fourth Principal Meridian; ALSO INCLUDING all of the Grantor's spur track right-of-way extending Westerly from the above described Branch Line main track in the Southwest Quarter of Section 7, Township 22 North, Range 15 East of the Fourth Principal Meridian; ALSO INCLUDING all of the Grantor's former Kaukauna to Manitowoc Branch Line main track extending Southerly from the above described Branch Line main track (extending from Kaukauna to New London) through Sections 22 and 21, South of the Fox River, in Township 21 North, Range 18

East of the Fourth Principal Meridian to a point in Government Lot 8 in said Section 21, being on the most Northerly line of a parcel of land described as follows:

Commencing at a point 47 feet S 83°-06' W of and 36.4 feet S 6°-54' E of the Northwest corner of Government Lot 3, Section 36, Township 21 North, Range 18 East; thence N 81°-11' E along the C.T.H. "CE" reference line 1759.07 feet to a perpendicular line hereinafter referred to as "Line A"; thence N 81°-11' E, 100 feet to a perpendicular line hereinafter referred to as "Line B"; thence N 81°-11' E, 350 feet to a perpendicular line hereinafter referred to as "Line C"; thence N 81°-11' E, 30 feet to a perpendicular line hereinafter referred to as "Line D"; thence N 81°-11' E, 50 feet to a perpendicular line hereinafter referred to as "Line E"; thence N 81°-11' E, 50 feet to a perpendicular line hereinafter referred to as "Line F", and the point of beginning of the parcel being described, thence North on "Line F", 200 feet; thence Westerly to a point on "Line A", 170 feet Northerly of said C.T.H. "CE" reference line; thence Southeasterly to a point on "Line B", 180 feet South of said reference line; thence Easterly to a point on "Line F", 200 feet South of said reference line; thence Northerly to the point of beginning; ALSO INCLUDING all of the Grantor's connecting track and spur track rights-of-way extending Northerly from the Grantor's Branch Line main track center line in Section 21 (extending from Kaukauna to New London) to a point on the Southwesterly line of Private Claim No. 35, all in Township 21 North, Range 18 East of the Fourth Principal Meridian.

#### WAUPACA COUNTY, STATE OF WISCONSIN

All of the Grantor's connecting track and spur track rights-of-way located in the Southeast Quarter of the Northeast Quarter, the East Half of the Southeast Quarter and the Southwest Quarter of the Southeast Quarter of Section 12, Township 22 North, Range 14 East of the Fourth Principal Meridian.

#### SEGMENT 3

#### MANITOWOC COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Green Bay Wisconsin (through Sheboygan and Manitowoc), and the Southerly line of Manitowoc County, Wisconsin, being also the Southerly line of Section 33, Township 17 North, Range 23 East of the Fourth Principal Meridian, said intersection (N.P. 62.283) being located 1,320 feet Westerly of the Southeast corner of said Section 33; thence Northerly along said main line track center line traversing the following Sections:

Township 17 North, Range 23 East of the Fourth Principal Meridian,  
Sections 33, 30, 31, 16, 15, 10 and 3;

Township 18 North, Range 23 East of the Fourth Principal Meridian,  
Sections 36, 37, 38, 23, 14, 13, 12 and 1;

Township 19 North, Range 23 East of the Fourth Principal Meridian,  
Sections 36, 25, 24, 13, 12 and 1;

Township 20 North, Range 23 East of the Fourth Principal Meridian,  
Sections 36, 25, 26, 23, 14, 15, 10, 3 and 4;

Township 21 North, Range 23 East of the Fourth Principal Meridian,  
Section 31;

Township 21 North, Range 22 East of the Fourth Principal Meridian,  
Sections 36, 25, 26, 23, 22, 15, 10 and 3,

to a point on the North line of said Section 3, distant 347 feet, more or less, Easterly of the Northwest corner thereof, said North line of Section 3 being also the North line of said Manitowoc County, Wisconsin; INCLUDING all of the Grantor's Manitowoc "Belt Line" lying Easterly of the above described main line track center line in Section 36, Township 19 North, Range 23 East of the Fourth Principal Meridian and in Sections 31, 32 and 29, Township 19 North, Range 24 East of the Fourth Principal Meridian; ALSO INCLUDING all of the Grantor's former Branch Line main track (extending from Manitowoc, Wisconsin to Kaukauna, Wisconsin) lying Westerly of the above described main line track center line in the Northeast Quarter of the Northeast Quarter of Section 24, the South Half of the Southeast Quarter, the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 13, all in Township 19 North, Range 23 East of the Fourth Principal Meridian; EXCLUDING AND EXCEPTING That part of the Southeast Quarter of the Southeast Quarter of Section 24, Township 19 North, Range 23 East of the Fourth Principal Meridian, bounded as follows: On the West by the East line of Block 12 in the Westlawn Addition to the City of Manitowoc, Manitowoc County, Wisconsin; on the North by the Easterly extension of the North line of Lot 4 in said Block 12; on the East by a line parallel with and distant 2 feet Easterly, measured at right angles, from the East line of said Block 12 and on the South by the Easterly extension of the South line of Lot 1 in said Block 12.

BROWN COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from Milwaukee, Wisconsin to Green Bay, Wisconsin (through Sheboygan and Manitowoc), and the Southerly line of Brown County, Wisconsin, being also the Southerly line of Section 34, Township 22 North, Range 22 East, said intersection being located 303 feet Easterly of the Southwest corner of said Section 34; thence Northwesterly along said main line track center line traversing the following Sections:

Township 22 North, Range 22 East of the Fourth Principal Meridian, Sections 34, 33, 28, 21, 16, 9, 8, 5 and 6;

Township 23 North, Range 22 East of the Fourth Principal Meridian, Section 31;

Township 23 North, Range 21 East of the Fourth Principal Meridian, Sections 36, 25, 26, 23, 22, 21, 16, 9 and the fractional Southeast Quarter of 8,

to a point on the Southeasterly line of Private Claim 10 East of the Fox River; thence continuing Northwesterly along said main line track center line traversing the following:

Private Claim 10 East of the Fox River  
Private Claim 11 East of the Fox River  
Private Claim 12 West of the Fox River  
Private Claim 13 West of the Fox River  
Private Claim 11 West of the Fox River  
Private Claim 10 West of the Fox River  
Private Claim 9 West of the Fox River

to a point (N.P. 113.30) located on the Southerly line of 9th Street in the City of Green Bay, Brown County, Wisconsin, and there terminating.

**SEGMENT 4**

MANITOWOC COUNTY, STATE OF WISCONSIN

Beginning at the intersection of the center line of the Grantor's main line track extending from from Milwaukee, Wisconsin

to Green Bay Wisconsin (through Sheboygan and Manitowoc), and the center line of the Grantor's Branch Line main track extending from Manitowoc, Wisconsin to Two Rivers, Wisconsin, said intersection (M.P. 76.31) being located in the Northeast Quarter of the Southeast Quarter of Section 25, Township 19 North, Range 23 East of the Fourth Principal Meridian; thence Northeasterly along said Branch Line main track center line traversing the following Sections:

Township 19 North, Range 23 East of the Fourth Principal Meridian.  
Section 25:

Township 19 North, Range 24 East of the Fourth Principal Meridian.  
Sections 30, 19, 18, 17, 16, 9, 10, 11, 2 and 1.

to the end of the Branch Line main track in the Southeast Quarter of said Section 1: INCLUDING all of the Grantor's spur track rights-of-way lying Northerly of the above described Branch Line main track in said Section 1, Township 19 North, Range 24 East of the Fourth Principal Meridian.



Schedule 4(b)  
to the Security Agreement

LOCOMOTIVES\*

<u>Engine No.</u>	<u>Type</u>	<u>Engine No.</u>	<u>Type</u>
4502	GP9	4304	GP7
4503	GP9	4310	GP7
4504	GP9	4326	GP7
4505	GP9	4327	GP7
4506	GP9	4329	GP7
4508	GP9	4330	GP7
4509	GP9	4332	GP7
4510	GP9	4146	GP7
4514	GP9	4151	GP7
814	GP30	4159	GP7
815	GP30	4119	GP7
820	GP30	4133	GP7
		831	GP35
		832	GP35
		840	GP35

Engines Purchased for Parts

846	GP35
866	GP35
4501	GP9

Cabooses\*

CNW-10331
CNW-12557
CNW-10523

\* Assuming no significant change in condition since the inspection which took place in September 1988.

Schedule 4(c)  
to the Security Agreement

Real Property of FRVR Located Outside Wisconsin and Val-  
ued in Excess  
of \$100,000

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None